

UNION ACCEPTANCE CORPORATION LIMITED • ANNUAL REPORT 1965

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MARCH 20, 1966



## UNION ACCEPTANCE CORPORATION LIMITED

Incorporated 1944

### Highlights of Operating Results

	1965	1964
Consolidated Assets	\$59,678,340	\$69,639,372
Contracts Receivable, less allowance for doubtful receivables and unearned service charges	57,646,349	67,351,991
Income from Operations	9,919,964	8,479,358
Unearned Service Charges	4,893,978	5,297,226
Retained Earnings	1,851,101	1,734,120
Income Before Taxes	1,315,823	1,524,186
Income Taxes	657,175	762,898
Consolidated Net Income	658,648	761,288
Earnings available per share for payment of First Preference share dividends	11.96	13.28
Earnings available per share for payment of Second Preference and Common share dividends on participating basis	.72	1.12

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## Directors and Officers

### Directors

Jean V. Barbat  
Frank E. Burroughes  
Christian M. Cardin  
Christie T. Clark  
Matthew C. Deans  
G. Fleming Edgar  
Fernand Lecoq  
Arthur J. Milner  
Warren Y. Soper  
Joseph A. Weldon

### Executive Committee

Frank E. Burroughes  
G. Fleming Edgar  
Fernand Lecoq  
Warren Y. Soper

### Executive Officers

Frank E. Burroughes	<i>Chairman of the Board</i>
G. Fleming Edgar	<i>President</i>
Fernand Lecoq	<i>Vice-President</i>
Max C. Mitchell	<i>Vice-President and General Manager</i>
Norman T. Stott	<i>Vice-President and Secretary</i>
Howard L. Smith	<i>Vice-President and Treasurer</i>
William F. Bethune	<i>Vice-President and General Sales Manager</i>
John C. Hasler	<i>Vice-President-Operations</i>
Clifford G. Simpson	<i>Vice-President-Operations</i>
Alan R. Parks	<i>Vice-President and General Manager, Union Finance Company Limited United Finance Company Limited</i>

### Bankers

Canadian Imperial Bank of Commerce  
Manufacturers Hanover Trust Company

### Auditors

Gunn, Roberts and Co.

### Solicitors

Seed, Nield, Long & Howard

### Transfer Agent and Registrar

The Canada Trust Company

### Trustees

Secured Notes: National Trust Company, Limited  
Debentures: The Canada Trust Company

### Member of

Federated Council of Sales Finance Companies  
Canadian Consumer Loan Association

### Shares listed

The Toronto Stock Exchange

### Wholly owned Subsidiary Companies

Union Finance Company Limited  
United Finance Company Limited  
Union Leasing Company Limited  
Union Realty Credit Limited

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## Report of the Directors

### To the Shareholders:

Your Directors wish to submit the Annual Report of Union Acceptance Corporation Limited and subsidiary companies for the year ended December 31st, 1965.

### Operations

The economic outlook for Canada at the beginning of 1965 was extremely favourable and it appeared that it would be another propitious year for profitable expansion of your Company's business. In the light of this your Company continued with its planned program for branch expansion and in the early months of 1965 opened twenty-three new branches, providing for greater penetration of the buoyant consumer loan and sales finance market.

The volume of new business offered to your Company was greater than anticipated. Shortly after the United States' announcement of the guide lines for foreign investment, management instituted policies to slow down the rate of growth as it was then evident that money would be more costly and more difficult to obtain. At the end of May our volume of new business purchased in both our well-established and new branches far exceeded expectations, and operating profit was up over 13% as compared with the same period in 1964. During these months, in keeping with the need for additional funds, the Company obtained a total of \$7,725,600 from long term borrowing and the sale of shares. However, the default of Atlantic Acceptance in June caused serious repercussions in financial markets, especially as related to finance companies. The market for the sale of short term notes virtually disappeared and your Company found itself in the position of having to meet maturing short term obligations by

using available bank credit and funds generated through the liquidation or sale of contracts receivable. The sound credit policies followed by Union in the purchase of contracts during the previous years proved advantageous. Short term obligations were paid off as they matured with the cash flow generated from the liquidation of contracts receivable including the sale, at net book value, of approximately \$11,600,000 consumer loans and industrial receivables. As a result, the Company's receivables declined for the first time in its history.

The Company is now in a sound position with unused bank credit in excess of all short term note commitments outstanding. Difficulty has been encountered in increasing our long term borrowings due to the tight money situation throughout the world. This has been aggravated by the decline in confidence of institutional investors in Canadian finance companies as the result of the Atlantic default. However, additional funds were secured in January, 1966 by way of the sale of common shares through a rights offering underwritten by Banque de Paris et des Pays-Bas and an additional line of credit with a major New York bank. Maximum attention is continually being given to raising additional funds.

We would like to bring to your attention that while there are no changes in accounting practice, there are two variances in the presentation of the Company's financial statements. Unearned service charges, previously shown as a liability, have been deducted from the asset contracts receivable. This has been done to more clearly reflect the value of contracts receivable, and reference is hereby made to Note 3 to the financial statements. In some circles there has been criticism of finance com-

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panies which have not clearly stated the method used in accounting for income. Our policy in this regard has been commented on in the report of the Directors for the past two years. However, this year the accounting methods used are even more clearly stated in Note 2 to the financial statements. To the best of our knowledge these methods are as conservative as any in the industry.

In July, 1965 Mr. Jean V. Barbat was appointed to the Board of Directors. Mr. Barbat is Assistant to the Executive Vice-President of Paribas Corporation, investment bankers, New York, a wholly owned subsidiary of Banque de Paris et des Pays-Bas. His close connection with the financial community will be of great value.

#### **Income and Expenditure**

Because of the excellent results in the first six months of the year, gross income from all sources amounted to \$9,919,964, an increase of \$1,440,606 over the previous year. However, higher average borrowings and tight conditions in the money market for the latter portion of the year caused an increase in the cost of borrowed funds from \$2,917,687 in 1964 to \$3,622,510 in 1965. Administrative and general expenses rose during the first six months but, after the sale of receivables, positive steps were taken to reduce these costs without jeopardizing efficient control. Total administrative and general expenses for the year were \$4,877,818 compared with \$3,997,236 last year.

While competition within the industry still remains keen, it is now possible to obtain a more favourable return on funds employed. The beneficial effect will be somewhat delayed but will serve to offset some increased costs brought on by the unsettled money market.

#### **Consolidated Net Income**

The sale of receivables, reduced volume and the higher cost of money resulted in a reduction of net income, as your Directors indicated by letter to shareholders in October, 1965. Net income, after providing for operating expenses and income taxes was \$658,648, compared with \$761,288 in 1964. These earnings equal \$11.96 for each First Preference share outstanding, or 3.89 times annual dividend requirements. After payment of First Preference share dividends earnings available for Second Preference and Common shares outstanding at the year-end amounted to 72¢ per share on a participating basis.

#### **Dividends**

In 1965 the Company paid dividends at the rate of 60¢ per share on the Second Preference and Common shares. In order to conserve and improve the Company's cash resources, your Directors came to the decision in October to suspend further payment of cash dividends on the Second Preference and Common shares. This was referred to in a letter sent to these shareholders on October 15th, 1965. Your Directors were aware of the seriousness of this action, but felt it to be in the best interests of the shareholders.

#### **Assets**

After deducting the allowance for doubtful receivables and unearned service charges, contracts receivable amounted to \$57,646,349 at the year-end. This compares with \$67,351,991 at the end of 1964 and \$49,864,334 at the end of 1963. Unearned service charges amounted to \$4,893,978 at the year-end compared with \$5,297,226 last year. The reasons for the reduction have been

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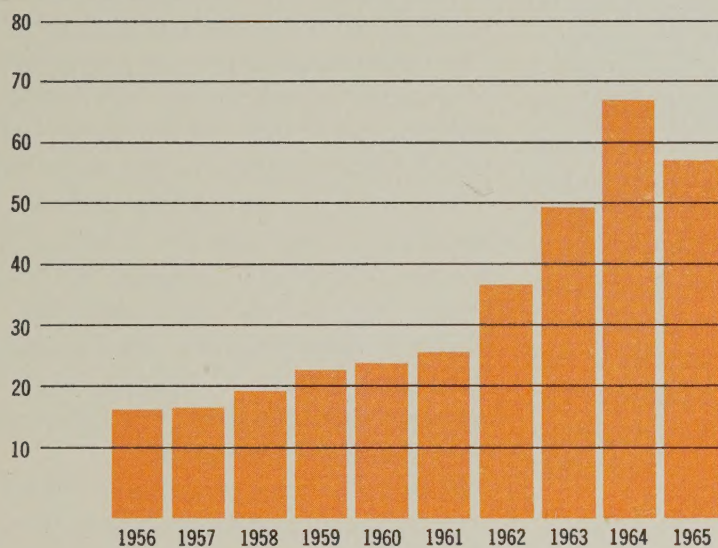




## TEN YEAR GROWTH COMPARISON CHARTS

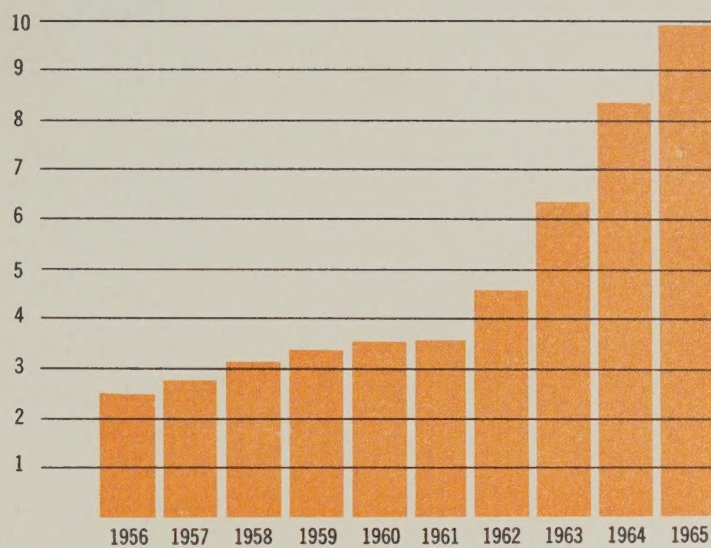
### NET RECEIVABLES

In millions of dollars



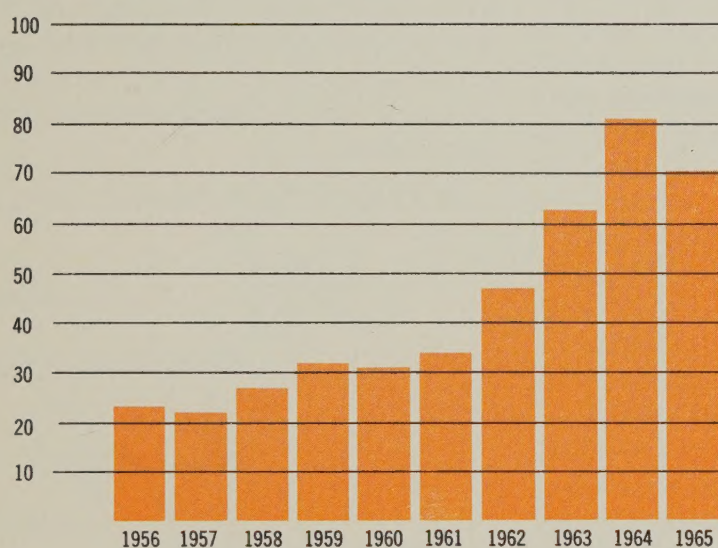
### GROSS INCOME

In millions of dollars



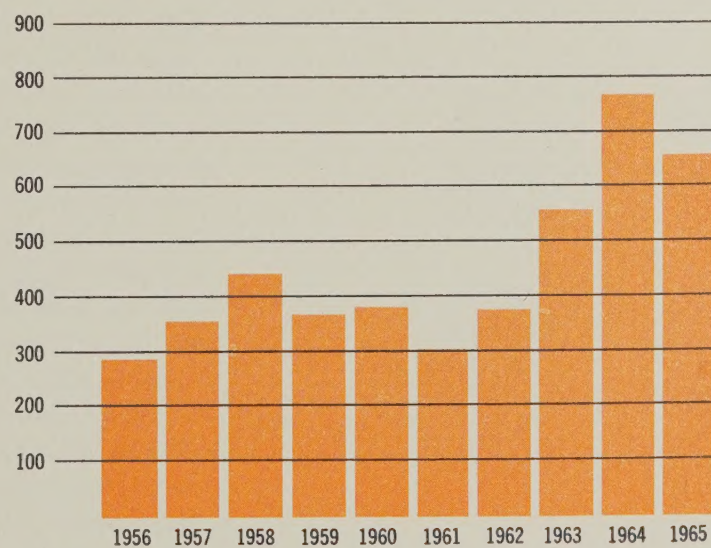
### RETAIL VOLUME

In millions of dollars



### NET INCOME

In thousands of dollars





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stated above. The allowance for doubtful receivables is 2.18% of total contracts receivable, compared with 1.47% last year, which is considered more than adequate. Total assets at the year-end amounted to \$59,678,340.

#### Liabilities

In April your Company increased its capital funds by \$1,075,600 with the sale of 134,450 Second Preference shares which were issued by way of rights to holders of Second Preference and Common shares. This was followed by private placement of 6 $\frac{1}{8}$ % Secured Notes in the amount of \$6,000,000. In May, 6 $\frac{1}{4}$ % Debentures in the amount of \$650,000 U.S. funds were sold privately. Through the operation of purchase and sinking funds 2,277 First Preference shares having a par value of \$113,850, and Debentures and Long Term Secured Notes amounting to \$191,500 were redeemed and cancelled.

#### Outlook

The reason for the decline in contracts receivable has been stated previously, but it is expected that this trend should show some improvement during the first half of 1966. We have maintained our branch structure, substantial savings have been made by reducing operating costs and service charges have been increased, as previously mentioned. Until additional long term funds are acquired it will be difficult to maintain earnings at the 1965 level. However, as funds are secured receivables can be expanded without materially increasing costs and this should rapidly reflect in an improved earnings trend.

There are indications that the economy will remain buoyant. Automotive and other dealers report good sales and there is great demand for the Company's services. We

will continue with sound credit policies and efficient operating practices in order to achieve maximum earnings from the available funds which the Company has to employ.

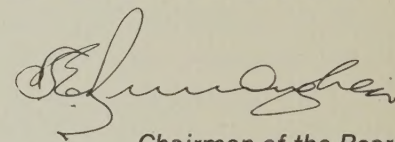
#### Personnel

Mr. John C. Vernon, who was Secretary of the Company from its inception and who retired in 1962, died in August. His loyalty and achievements were an inspiration to all those who worked with him during his eighteen years with the Company and he is sadly missed by those who knew him.

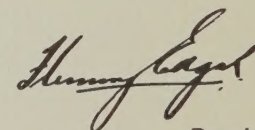
Two executive appointments were announced in November. Mr. John C. Hasler and Mr. Clifford G. Simpson were each appointed Vice-President-Operations. Mr. Hasler is responsible for the Province of Quebec and Western Canada, while Mr. Simpson has charge of the Province of Ontario and the Maritimes.

During the last six months of 1965 personnel of all our companies passed through a difficult period and were confronted with problems never before experienced. The Board of Directors is justly proud of the understanding and determination shown by the employees in facing up to a most disturbing situation. Such loyal employees are the backbone of the Company and your Directors wish to thank each and every one of them.

On behalf of the Board of Directors,



Chairman of the Board



President

Toronto, March 10, 1966

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## Consolidated Statement of Income

For the year ended December 31, 1965  
(with comparative figures for 1964)

	1965	1964
Income from operations	<u>\$ 9,919,964</u>	<u>\$ 8,479,358</u>
Expenses		
Interest on secured notes and debentures and amortization of debt discount and expenses	3,622,510	2,917,687
Directors' remuneration, as such	22,625	19,750
Depreciation of office equipment and amortization of leasehold improvements	95,051	78,473
Amortization of branch development period costs (note 5)	77,311	40,875
Administrative and general expenses	<u>4,877,818</u>	<u>3,997,236</u>
	<u>8,695,315</u>	<u>7,054,021</u>
Deduct new branch development period costs, included above, portion deferred (note 5)	91,174	98,849
	<u>8,604,141</u>	<u>6,955,172</u>
Income before income taxes	1,315,823	1,524,186
Income taxes	<u>657,175</u>	<u>762,898</u>
Net income for the year	<u>\$ 658,648</u>	<u>\$ 761,288</u>

## Consolidated Statement of Retained Earnings

For the year ended December 31, 1965  
(with comparative figures for 1964)

	1965	1964
Balance at beginning of year	\$ 1,734,120	\$ 1,502,837
Net income for the year	<u>658,648</u>	<u>761,288</u>
	<u>2,392,768</u>	<u>2,264,125</u>
Deduct		
Dividends		
First preference shares	173,481	157,808
Second preference shares	169,910	172,226
Common shares	<u>112,500</u>	<u>125,000</u>
	<u>455,891</u>	<u>455,034</u>
Share issue expenses less applicable reduction in income taxes	85,776	74,971
	<u>541,667</u>	<u>530,005</u>
Balance at end of year	<u>\$ 1,851,101</u>	<u>\$ 1,734,120</u>





**UNION ACCEPTANCE CORPORATION LIMITED CONSOLIDATED BALANCE SHEET**  
(Incorporated under the laws of the Province of Ontario) and subsidiary companies

ASSETS	1965	1964
Cash	\$ 414,334	\$ 560,599
Contracts receivable (note 4)		
Retail instalment notes	42,474,244	50,909,459
Consumer loans	17,771,040	19,880,238
Wholesale notes	2,464,074	2,409,338
Leases and mortgages	1,226,805	535,344
	<u>63,936,163</u>	<u>73,734,379</u>
Deduct		
Allowance for doubtful receivables	1,395,836	1,085,162
Unearned service charges	4,893,978	5,297,226
	<u>6,289,814</u>	<u>6,382,388</u>
Contracts receivable less deductions	<u>57,646,349</u>	<u>67,351,991</u>
Accounts receivable	<u>86,698</u>	<u>83,138</u>
	<u>58,147,381</u>	<u>67,995,728</u>
Other Assets and Deferred Charges		
Office equipment and leasehold improvements, at cost, less accumulated depreciation and amortization 1965 \$330,414; 1964 \$242,391	383,411	315,865
Prepaid expenses	140,463	351,760
Branch development period costs, less amount amortized (note 5)	173,554	159,691
Expenses on issue of first preference shares less amount amortized	100,536	113,103
Expenses and discount on issue of term debt less amount amortized	732,995	703,225
	<u>1,530,959</u>	<u>1,643,644</u>
	<u>\$59,678,340</u>	<u>\$69,639,372</u>

Approved on behalf of the Board:

F. E. Burroughes, Director

G. F. Edgar, Director



HEET December 31, 1965 (with comparative figures for 1964)

LIABILITIES	1965	1964
Demand loan	\$ 1,500,000	\$ 700,000
Demand and short term secured notes	16,310,000	34,498,000
Accounts payable and accrued liabilities	866,932	698,037
Income taxes payable	133,570	374,927
Dealers' credits and retentions	379,899	394,976
Dividends payable	42,352	124,752
	<u>19,232,753</u>	<u>36,790,692</u>
Income Tax Reductions Applicable to Future Years	<u>172,262</u>	<u>176,723</u>
Long Term Secured Notes (note 6)	<u>25,182,979</u>	<u>19,192,979</u>
Debentures (note 7)	<u>7,097,951</u>	<u>6,568,734</u>
Shareholders' Equity		
Capital stock (note 8)		
First preference shares	2,752,950	2,866,800
Second preference shares	2,771,921	1,692,901
Common shares	616,423	616,423
Retained earnings	<u>1,851,101</u>	<u>1,734,120</u>
	<u>7,992,395</u>	<u>6,910,244</u>
	<u>\$59,678,340</u>	<u>\$69,639,372</u>



# Notes to Consolidated Financial Statements, December 31, 1965

## 1. Subsidiary Companies

The subsidiary companies included in the consolidation are Union Finance Company Limited, United Finance Company Limited, Union Leasing Company Limited and Union Realty Credit Limited.

## 2. Method Of Recording Income From Contracts

The income earned on interest bearing consumer loans and mortgages is credited to income only as it is collected. Income earned on wholesale financing provided to dealers and on automobile lease contracts is recorded monthly at the time of billing. On certain conditional sale contracts purchased by the consumer loan subsidiaries where the security is used automobiles and the credit risk is considered to be greater than on other business, an additional loss provision is made at the time of purchase by crediting an amount varying between 10% and 20% of the service charges to the allowance for doubtful receivables. The remainder of the service charges, which is adequate to cover the cost of servicing these accounts and to provide usual operating margins, is credited to unearned service charges and transferred monthly to income on the sum of the digits method over the term of each contract. The entire service charge on all other contracts and loans is credited to unearned service charges at the time of acquisition and is transferred monthly to income on the sum of the digits method over the term of each contract. No amount is taken into income at the time of acquisition as an acquisition charge.

## 3. Comparative Figures

Unearned service charges previously shown separately have been deducted from contracts receivable; 1964 figures are restated on this basis.

## 4. Contracts Receivable

In 1965 the company sold contracts receivable for approximately \$11,600,000. The amount received was the net book value at the time of sale and the proceeds were applied to reduce maturing indebtedness and for other general corporate purposes.

## 5. Branch Development Period Costs

The company has continued the accounting practice which it adopted in 1962 of deferring a portion of the development period costs of new branches and amortizing such costs to operations over the 36 months following completion of the development period for each branch.

## 6. Long Term Secured Notes

Series A, 5¼% Sinking Fund due March 15, 1968	\$ 660,000
Series B, 5¾% due September 15, 1972	989,000
Series C, 6% due March 1, 1974	2,500,000
Series D, 7¼% due February 15, 1980	1,000,000
Series E, 6½% due April 15, 1966 to 1975 Proceeds of U.S. \$1,000,000— repayable in U.S. funds (repay- ment at the current rate of exchange would require \$1,076,000 in Canadian funds)	963,352
Series F, 6% due April 1, 1973 to 1977	1,000,000
Series G, 5¾% due April 1, 1974 to 1978 Proceeds of U.S. \$7,500,000— repayable in U.S. funds	8,070,627
Series H, 6⅞% due June 15, 1975 to 1984	2,000,000
Series I, 6⅞% due June 15, 1980 to 1984	2,000,000
Series J, 6⅞% due April 15, 1976 to 1985	1,000,000
Series K, 6⅞% due April 15, 1976 to 1980	5,000,000
	<u>\$25,182,979</u>

## 7. Debentures

5½% Sinking Fund, Series C, due March 1, 1974	\$ 646,500
5½% Sinking Fund due November 15, 1972	640,000
6¼% due December 15, 1981	1,775,500



6½% due December 1, 1983	\$ 690,000
6¼% Serial, due August 15, 1974 to 1978	
Proceeds of U.S. \$1,150,000—repayable in U.S. funds	1,245,234
6¾%, Series H, due July 2, 1980 to 1984	1,400,000
6¼%, Series I, due May 15, 1976 to 1980	
Proceeds of U.S. \$650,000—repayable in U.S. funds	701,797
	<u>7,099,031</u>
Less cash on deposit with trustee	1,080
	<u>\$ 7,097,951</u>

### 8. Capital Stock

First preference shares,  
par value \$50 each, issuable  
in series

Authorized less redeemed—  
244,059 shares

Outstanding—

25,629 shares

6¼% Series A, cumulative re-  
deemable at \$52.50 per  
share

\$1,281,450

8,245 shares 6¼% Series B,  
cumulative redeemable at  
\$52.50 per share

412,250

21,185 shares 6% Series C,  
cumulative redeemable at  
\$53.00 per share

1,059,250

\$ 2,752,950

Participating non-voting,  
non-cumulative, second  
preference shares without  
par value

Authorized—1,500,000 shares

Issued — 422,418 shares \$ 2,771,921

Common shares, without  
par value

Authorized—750,000 shares

Issued —250,000 shares \$ 616,423

Changes in Issued Capital and  
Shares Reserved

First preference shares

Purchased for cancellation in 1965—1,122

Series A shares, 340 Series B shares and 815  
Series C shares having an aggregate par value  
of \$113,850.

Second preference shares

Issued in 1965—134,780 shares for  
\$1,079,020 cash including 330 shares issued  
on exercise of warrants.

At December 31, 1965 second preference  
shares were reserved as follows:

(a) 59,940 shares for exercise of outstanding  
warrants issued with the 6¼% Debentures  
due December 15, 1981, exercisable on or  
before June 15, 1967 at \$12 per share;

(b) 13,670 shares for exercise of outstanding  
warrants issued with the 6½% Debentures  
due December 1, 1983, exercisable on or  
before December 31, 1967 at \$10 per share;  
and

(c) 9,200 shares for the Employees' Stock  
Option Plan. No options are outstanding at  
December 31, 1965.

Common shares

Under the terms of a rights offering to the  
holders of common and second preference  
shares which expired on December 30, 1965,  
and a related underwriting, 224,140 common  
shares were issued on January 7, 1966 for a  
total consideration of \$896,560.

### 9. Dividends

In order to conserve funds for operations the  
payment of cash dividends on the non-cumu-  
lative second preference shares and on the  
common shares was suspended subsequent to  
the payment of the October 1, 1965 dividends.



## Auditors' Report

MONTREAL      OTTAWA  
TORONTO      CHATHAM  
WINNIPEG      CALGARY  
VANCOUVER

### GUNN, ROBERTS AND CO.

CHARTERED ACCOUNTANTS

ASSOCIATED FIRM IN  
UNITED STATES OF AMERICA  
ALEXANDER GRANT & COMPANY

#### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Union Acceptance Corporation Limited and subsidiary companies as at December 31, 1965 and the consolidated statements of income and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and consolidated statements of income and retained earnings present fairly the financial position of the companies as at December 31, 1965 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada  
February 7, 1966

*Gunn, Roberts & Co.*

Chartered Accountants.



## Twenty Years of Service

Your Company has now completed twenty years of service and perhaps this is an opportune time to review our progress. Although incorporated in 1944, it was not until the following year that operations began from a single office in Toronto. During the immediate post war years there was a tremendous demand for funds to finance the purchase of household appliances and automobiles, therefore it was not very long until expansion was in order and branch offices were opened in the larger cities of Ontario. By 1952 Union Finance Company Limited had been formed and had established a number of branch offices. In 1954, for the first time, the Company expanded its facilities beyond the Province of Ontario by establishing branch offices in the Province of British Columbia. In subsequent years a systematic expansion program was followed and by 1962 your Company was operating in eight of the ten provinces and had established three other subsidiary companies, namely United Finance Company Limited, Union Leasing Company Limited and Union Realty Credit Limited. From one branch in 1945, your Company now operates from ninety-two branches located from coast to coast.

Over the years the sound operating policies and the broad diversification of the Company's portfolio have been key factors in establishing the Union family of companies as an integrated component of the finance industry in Canada. Perhaps more important, they have provided great versatility of operations and ensured a maximum spread of risk. This was clearly demonstrated in the months

of July and August, 1965 when it was necessary to improve our liquidity.

The Union family of companies provides custom credit to Canadians and Canadian business through a broad range of financial services. These services and a report on the various divisions of the Corporation are summarized below.

**Union Acceptance Corporation Limited** provides purchase credit for the financing of automobiles, trucks, buses, commercial vehicles and other durable goods through insurance agents, established dealers and through thirty branch offices located in major Canadian cities.

The Equipment Financing Division specializes in the financing of revenue producing equipment for a broad range of industrial and commercial accounts.

During the year 1965 branch offices were opened in Truro, Nova Scotia; Moncton, New Brunswick; Val d'Or and Ste. Therese, Quebec; Kingston and Timmins, Ontario and Edmonton, Alberta. One unprofitable branch was closed.

**Union Finance Company Limited**  
**United Finance Company Limited** provide cash instalment loans for many useful purposes to Canadians in all walks of life. This service is provided through sixty-two branches located across Canada. Sixteen of these branches were opened early in 1965 at Truro, Nova Scotia; Moncton, New Brunswick; Ste. Thérèse, Val d'Or, Quebec and Roberval in the Province of Quebec; Brantford, Belleville, Smiths Falls, St. Catharines, Windsor and Timmins in Ontario; Victoria, Vancouver and Kamloops in British Columbia.

**Union Leasing Company Limited** provides a management leasing service

for automobile fleets and a financially sound means of acquiring the use of profit producing equipment without capital expenditure. This Company made steady progress during the past year as more and more businesses are availing themselves of these services.

**Union Realty Credit Limited** began operations in 1965 and provided capital loans for several of the automotive dealers through whom the Parent Company obtains finance contracts.

**General**  
In the latter months of 1965, special emphasis was placed on the collection of receivables with good results. Delinquency at the year-end was considered normal. General supervision of branch offices has been intensified to enforce credit policies. At the year-end there were 40,617 retail accounts outstanding with an average balance of \$1,513, and no single customer's indebtedness exceeded \$265,000. Geographically, receivables were well spread by province as follows:

Ontario	42.8%	Nova Scotia	7.3%
British Columbia	18.1%	Manitoba	4.3%
Quebec	10.4%	Saskatchewan	4.2%
Alberta	10.3%	New Brunswick	2.6%

Credit losses for the year were considered satisfactory and the allowance for doubtful receivables as a percentage of contracts receivable has increased over the previous year-end.

Data processing equipment was installed during the year and will provide management with both more effective accounting control and valuable statistical information which will be used to ensure that funds are employed to the greatest advantage.



Each year more and more Canadians rely on Union Acceptance Corporation and its subsidiaries for personalized custom credit for automotive, marine, personal, business, construction, household or industrial needs.



Truck financing



Automobile purchases



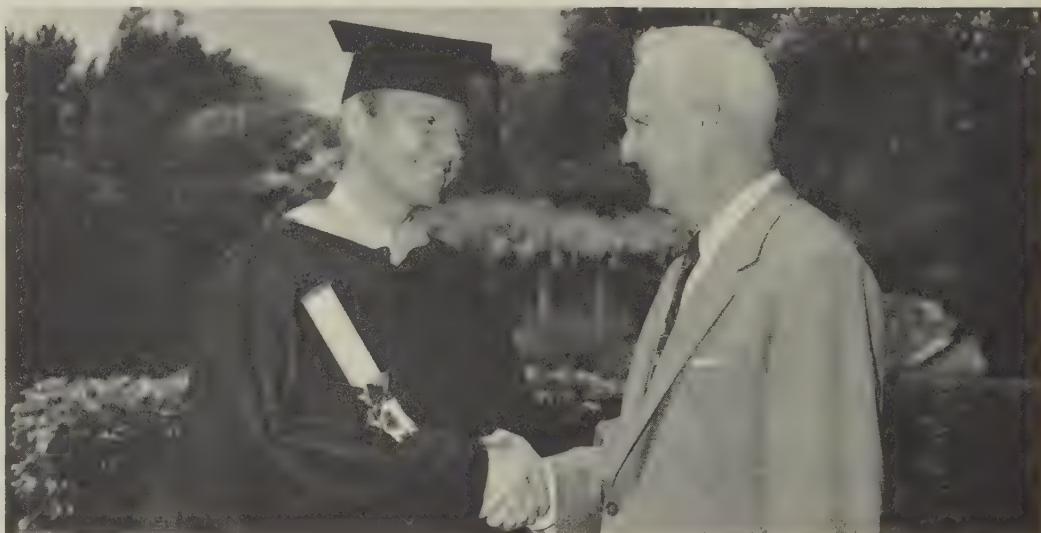
Loans for vacations



Equipment financing



Cash loans



Loans for education





## TEN YEAR GROWTH COMPARISON TABLES

	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956
Total Assets*	59,678,340	69,639,372	51,685,197	39,175,147	27,559,417	25,552,153	24,350,807	20,772,886	17,927,663	17,890,083
Contracts Receivable* – Net	57,646,349	67,351,991	49,864,334	37,455,062	26,013,612	24,171,160	23,043,958	19,642,631	16,906,524	16,460,833
Unearned Service Charges	4,893,978	5,297,226	3,785,701	3,065,020	2,447,130	2,255,200	2,039,013	1,757,591	1,520,975	1,357,746
Secured Notes	41,492,979	53,690,979	39,444,979	29,708,300	19,379,000	19,191,500	17,764,500	15,533,500	12,743,500	12,745,000
Debentures	7,097,951	6,568,734	5,275,734	4,179,500	3,575,500	1,722,000	1,827,500	1,853,000	1,972,500	2,210,000
Shareholders' Equity	7,992,395	6,910,244	5,582,861	4,452,781	3,914,073	4,002,423	3,992,514	2,808,814	2,591,208	2,420,020
Income from Operations	9,919,964	8,479,358	6,370,220	4,613,449	3,680,464	3,649,242	3,400,077	3,207,427	2,867,362	2,554,518
Cost of Borrowed Funds	3,622,510	2,917,687	2,145,444	1,530,393	1,104,456	1,145,032	1,006,793	773,101	767,287	591,924
Other Expenses	4,981,631	4,037,485	3,096,688	2,340,892	1,924,955	1,731,318	1,652,064	1,582,830	1,421,301	1,425,008
Taxes	657,175	762,898	568,220	359,713	348,244	389,100	373,400	407,500	319,432	252,504
Net Income	658,648	761,288	559,868	382,451	302,809	383,792	367,820	443,996	359,342	285,082
Net Income after Payment of Preference Dividends	315,257	431,254	281,258	175,324	93,979	171,757	210,926	301,085	216,140	142,122
Number of Common Shares Outstanding	250,000	250,000	250,000	210,142	210,142	210,142	209,922	204,952	203,892	202,332

\*After deduction of allowance for doubtful receivables and unearned service charges





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## UNION ACCEPTANCE CORPORATION LIMITED

### Head Office

Union Building, 212 King Street West, Toronto

### Division Managers

J. C. R. Dewar, *Assistant Vice-President*

I. B. Jackson, *Assistant Vice-President*

R. B. McClure, *Assistant Vice-President*

J. R. Giguere, *Quebec Division*

J. H. Nesbitt, *Supervisor, Western*

K. F. D. Harwood, *Credit Manager*

T. Corcoran, *Assistant Treasurer*

### Branch Offices

Halifax	Barrie	Regina
Sydney	Hamilton	Saskatoon
Truro	Kingston	Calgary
Moncton	London	Edmonton (2)
Saint John	Ottawa	Kelowna
Montreal (2)	Sudbury	Prince George
Ste. Thérèse	Timmins	Vancouver
Val d'Or	Windsor	
Toronto (4)	Winnipeg	

## UNION FINANCE COMPANY LIMITED UNITED FINANCE COMPANY LIMITED

### General Supervisor

R. R. Leonard

### District Supervisors

K. Brown

A. J. Christie

D. W. De Mille

J. J. Doyle

M. Ethier

D. R. Kilburn

J. R. Warburton

H. O. Westra

### Branch Offices

Dartmouth	Toronto (5)	Sudbury
Halifax	Belleville	Timmins
Sydney	Barrie	Windsor (2)
Truro	Brantford	Winnipeg (2)
Moncton	Hamilton	Regina
Saint John	Guelph	Saskatoon
Alma	Kingston	Dawson Creek
Hull	London	Prince George
Montreal (3)	Ottawa (2)	South Burnaby
Quebec (2)	Port Arthur	New Westminster
Verdun	St. Catharines	North Surrey
Jonquière	Sarnia	Kelowna
Roberval	Sault Ste. Marie	Vancouver (3)
Ste. Thérèse	Smiths Falls	Kamloops
Val d'Or		Victoria

## UNITED FINANCE COMPANY LIMITED

Calgary (3), Edmonton (3)

## UNION LEASING COMPANY LIMITED

J. Wood, *Assistant General Manager*

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